

## Message Text

UNCLASSIFIED

PAGE 01 MADRID 05939 261126Z

42

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 /020 W  
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R 260755Z AUG 75  
FM AMEMBASSY MADRID  
TO SECSTATE WASHDC 2824  
INFO AMEMBASSY BERN  
AMEMBASSY ROME  
AMCONSUL BARCELONA  
AMCONSUL BILBAO  
AMCONSUL MILAN  
AMCONSUL ZURICH  
USDOC WASHDC

UNCLAS MADRID 5939

E.O. 11652: N/A

TAGS: BEXP, IT, SP, SW

SUBJ: INDUSTRIAL AND COMMERCIAL SECURITY EQUIPMENT TRADE MISSION  
TO SPAIN, ITALY AND SWITZERLAND

REF: STATE 168331

1. BASED ON INITIAL SOUNDINGS OF MARKET POTENTIAL, EMBASSY SUGGESTS SUBJECT MISSION VISIT BOTH MADRID AND BARCELONA. SCHEDULE CONTAINED IN REFTEL IS ACCEPTABLE WITH MONDAY 8 MARCH 76 BRIEFING FOR MISSION BY ADVANCE OFFICER IN MADRID. TUE AND WED MARCH 9 AND 10 FOR BUSINESS APPOINTMENTS MADRID. DEPART WEDS EVENING FOR BARCELONA. THURS AND FRI MARCH 11 AND 12 BUSINESS APPOINTMENTS BARCELONA. DEPART EVENING MAR 12 OR MORNING MAR 13 FOR ITALY. NO HOLIDAYS CONFLICT WITH THESE DATES AND AS FAR AS CAN BE DETERMINED THEY DO NOT COINCIDE WITH ANY OTHER LOCAL TRADE EVENTS.

2. SPAIN IS NASCENT MARKET FOR SECURITY EQUIPMENT AND AS SUCH MISSION SHOULD NOT EXPECT ACHIEVE SPECTACULAR RESULTS. CUSTOMERS FOR MOST PART HAVE TO BE EDUCATED AS TO NEED FOR AND TYPES OF SECURITY EQUIPMENT. LOCAL AGENTS AND REPRESENTATIVES RANGE FROM A FEW GOOD ONES TO A MUSHROOMING NUMBER  
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PAGE 02 MADRID 05939 261126Z

OF "JOHNNY-COME-LATELIES" WHO ARE OFTEN POORLY EQUIPPED

TO GIVE GOOD SERVICE.

3. CONSUMPTION OF CLEARLY IDENTIFIABLE SECURITY EQUIPMENT IN 1974 AMOUNTED TO SOME \$64 MILLION WITH 80 PERCENT OF THAT GOING TO LOCKS AND LOCKING DEVICES OF ALL TYPES. SAFES AND VAULTS AMOUNTED TO ABOUT \$5.5 MILLION. ELECTRONIC AND ELECTRIC SOUND AND VISUAL SIGNALLING DEVICES (SIRENS, ALARMS, BELLS, ETC.) AMOUNTED TO \$3.2 MILLION. NO CONSUMPTION FIGURES COULD BE BROKEN OUT FOR SUCH ITEMS AS CCTV'S AND INFRARED AND X-RAY EQUIPMENT FOR SECURITY USES. MAIN STIMULUS TO MARKET HAS BEEN MARCH 1974 REGULATION ON MINIMUM SECURITY FACILITIES FOR BANKS. ALL NEW BANKS ARE REQUIRED TO INSTALL BURGLAR ALARMS TIED INTO LOCAL POLICE STATION, CAMERAS, AND BULLET PROOF GLASS FOR TELLERS' WINDOWS BEFORE RECEIVING APPROVAL TO OPEN. BANKS IN PLACE BEFORE NEW REGULATION ARE INSTALLING SECURITY EQUIPMENT "AS SOON AS FEASIBLE."

4. DOMESTIC PRODUCTION IS STRONG IN LOCKS AND LICKING DEVICES, AND SAFES AND VAULTS WITH ESTIMATED \$55 MILLION WORTH OF PRODUCTION FOR THESE ITEMS IN 1974.:NO STATISTICS AVAILABLE ON OUTPUT OF OTHER SECURITY EQUIPMENT SINCE THESE ITEMS INCLUDED UNDER MORE GENERAL CATEGORIES.

5. TRADE FINDS SPAIN A NET EXPORTER OF LOCKS AND LOCKING DEVICES. EXPORTS OF SAFES AND VAULTS COVER ABOUT 50 PERCENT OF THE VALUE OF IMPORTS OF THESE ITEMS. ELECTRONIC AND ELECTRIC SIGNALLING DEVICES OFFER THE BEST MARKET FOR IMPORTS.

6. USING THE LIST OF EXHIBITORS AND THEIR PRODUCTS FROM USTC SECURITY SYSTEMS AND EQUIPMENT EXHIBITION AT LONDON IN JUNE 1975 WE HAVE DRAWN UP A BEST PRODUCTS LIST FOR IMPORTS AS FOLLOWS:

BURGLAR, SAFE, VAULT, VEHICLE, AND FIRE ALARMS.  
HEAT AND SMOKE SENSORS AND DETECTORS.  
KEY, CARD, DIGITAL AND VISUAL ACCESS CONTROL SYSTEMS.  
TRANSPARENT BULLET-PROOF POLYCARBONATE.  
ELECTRONIC LOCKSETS.

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UNCLASSIFIED

PAGE 03 MADRID 05939 261126Z

USING THE SAME REFERENCE THE LIST OF PRODUCTS WITH GOOD PROSPECTS IS:

KEY CODE, CYPHER, TIME AND ALARM LOCKS.  
MAGNETIC PROOF, X-RAY PROOF AND HIGH SECURITY LOCKS.  
SECURE CABINETS AND OTHER OFFICE EQUIPMENT,  
WINDOW AND DOOR INTRUSION ALARMS.

EMERGENCY LIGHTING SYSTEMS.  
EXTERIOR DEFENSIVE LIGHTING.

7. PRIME END-USER IS BANKING INDUSTRY. THERE ARE 108 PRIVATE BANKS WITH 5438 OFFICES IN SPAIN FOR A RATIO OF ONE BANK FOR EVERY 6500 SPANIARDS AND BANK OFFICES ARE OPENING FASTER THAN THE INCREASE IN POPULATION. THE MAIN IMPETUS FOR SECURITY EQUIPMENT HAS NOT BEEN CRIME ITSELF BUT THE NEW REGULATION PASSED LAST MARCH REQUIRING MINIMUM SECURITY INSTALLATIONS (PRESUMABLY BASED ON A NEED BUT THIS HAS NOT BEEN PROVEN). THE LEADING SUPPLIER OF SECURITY SERVICES TO BANKS IN SPAIN BELIEVES THAT THE REGULATION WILL STIMULATE SOME INITIAL ACTIVITY BUT THAT LONG TERM PROSPECTS DEPEND ON ACTUAL INCIDENCE OF CRIMES AGAINST BANKS. HE IS CERTAIN IT WILL COME BUT CANNOT PREDICT WHEN. THE TELEPHONE COMPANY (CTNE) HAS A SUBSIDIARY OFFERING SECURITY SYSTEMS TO BANKS, A REASONABLE EXTENSION OF ITS SERVICES SINCE THE BANK ALARMS ARE HOOKED UP TO POLICE STATIONS THROUGH PHONE LINES. SERVICING FOR THE EQUIPMENT REPORTEDLY HAS BEEN SLOW. MOST ALARMS BEING PLACED ARE OF FOREIGN MANUFACTURE.

8. AUTO THEFT IS ONE NOTICIBLY INCREASING CRIME. AUTO ANTI-THEFT DEVICES MAY OFFER A GOOD MARKET WITH A DISTINCT POSSIBILITY FOR MANUFACTURE UNDER LICENSE IN SPAIN SINCE SPANISH FIRMS ARE AMONG THE LEADING MANUFACTURERS OF AUTO ELECTRICS IN THE WORLD.

9. ANOTHER CURRENT MARKET FOR SECURITY EQUIPMENT IS AUTOMATED ACCESS CONTROLS FOR APARTMENT BUILDINGS. THE TRADITIONAL SERRENO OR NIGHT WATCHMAN IS DISAPPEARING FROM CITY STREETS AND IN HIS PLACE BUILDERS ARE INSTALLING AUTOMATIC SYSTEMS FOR ALLOWING REMOTE CONTROL ACCESS TO UNCLASSIFIED

UNCLASSIFIED

PAGE 04 MADRID 05939 261126Z

BUILDINGS BY APARTMENT OCCUPANTS (THE FAMILIAR DOOR BUZZER SYSTEM). AGAIN THIS TYPE OF EQUIPMENT OFFERS POSSIBILITIES FOR MANUFACTURE UNDER LICENSE.

10. OTHER POTENTIAL END USERS OFFER LIMITED CURRENT OPPORTUNITIES. ONLY ONE AIRLINE (TWA) USES ELECTRONIC DETECTION DEVICES TO SCREEN PASSENGERS AND HAND LUGGAGE AND THAT IS ONLY AT THE NATION'S LARGEST AIRPORT, BARAJAS WHICH SERVES MADRID. MOST MONEY AND VALUABLE DOCUMENT TRANSPORT OUTSIDE OF BANKS IN THE MAJOR CITIES IS DONE BY GUARDS USING REGULAR PASSENGER VEHICLES. TO BE SURE THE PRADO MUSEUM HAS MODERN SECURITY DEVICES BUT BY ITSELF REPRESENTS A LIMITED MARKET.

11. NOT DIRECTLY RELATED TO THE MISSION BUT RELEVANT TO

THE THEME, THERE IS A GOOD MARKET FOR SECURITY EQUIPMENT  
USED BY LAW ENFORCEMENT AGENCIES. RECENT TERRORIST ACTIVITY  
HAS BEEN MET WITH MORE STRINGENT CONTROL BY POLICE COUPLED  
WITH A VIGOROUS EFFORT TO UNCOVER TERRORIST GROUPS.

12. A FULL MARKET SURVEY IS BEING SENT SEPARATELY BY  
AIRGRAM.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Copy:** SINGLE  
**Draft Date:** 26 AUG 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Review Action:** RELEASED, APPROVED  
**Review Authority:** hartledg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 JAN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <30 JAN 2003 by ReddocGW>; APPROVED <29 JAN 2004 by hartledg>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INDUSTRIAL AND COMMERCIAL SECURITY EQUIPMENT TRADE MISSION TO SPAIN, ITALY AND SWITZERLAND  
**TAGS:** BEXP, IT, SP, SW  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006